

CENTRAL INTELLIGENCE AGENCY

6 January 1949

INTELLIGENCE MEMORANDUM NO. 114

SUBJECT: Uncontrolled International Air Traffic Endangers US
National Security

1. In connection with the world-wide activities of non-scheduled air carriers, unscrupulous individuals have perfected a technique of subterfuge which could conceivably place a fleet of air transports, including US-registered aircraft, at the disposition of a foreign government for subversive purposes directly endangering the US national security.
2. Numerous factors have encouraged clandestine air activities. Once an aircraft passes the territorial limits of the country in which it is registered, there is generally little or no control of its activities by its own authorities. Nevertheless there has been a pronounced tendency on the part of the UN international air organization (ICAO) to advocate practically complete freedom of movement for unscheduled carriers. The poor coordination of aircraft controls at the international level and the lack of uniformity of international regulations and enforcement machinery frequently enable aircraft to operate almost indefinitely in a virtual vacuum of sovereignty, thus escaping any effective surveillance. Under these circumstances widespread abuses are inevitable.
3. The principal clandestine air activity in the past year has been the ferrying of military aircraft and the transportation of arms, combat personnel, and even dismantled fighter aircraft. Other activities have included the evasion of immigration laws by covert passenger traffic, the smuggling of gold, securities, narcotics and other valuable cargoes, and the maintenance of communications by dissident or rebellious factions with their agents and supporters in distant areas. Subversive agents, moreover, have been moved from one country to another with complete secrecy for political activity or military sabotage.
4. An elaborate technique has been perfected for clandestine air operations. The unscrupulous promoters have had no difficulty in finding pilots and air crews willing to engage in illicit operations and have been successful in bribing airfield and customs officials outside the US. For other shady errands these promoters have utilized highly specialized methods developed by underground resistance movements during World War II. The use of false passports, misrepresentation of true destinations, mislabeling of cargoes on manifests, and contemptuous disregard of local regulations have been standard practice.

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5. The intricacies of current unscheduled air transport operations are well illustrated by a recent example. A C-54 was chartered from a California owner by a US non-scheduled carrier in Philadelphia which had planned to operate the aircraft under contract to a Luxembourg Company (owned by a New Zealander) purporting to hold a subcontract with a British air travel concern acting on behalf of an agency responsible for transportation of displaced persons from France to Israel. Although the agency in question controls the movement of only 500 passengers, the US carrier has requested permits for sufficient flights (55) to carry 2400 passengers or equivalent cargo.

6. While there are a number of completely trustworthy unscheduled carriers operating abroad, the foregoing example is typical of many unscheduled operations which, upon closer examination, are revealed to be only superficially legitimate. The California owner of the aircraft was probably kept in the dark about the character of the European principals in the deal, and did not know that, if necessary, they would attempt to operate through French airfields without proper clearances, thus subjecting the aircraft to the risk of seizure. The New Zealand owner of the Luxembourg corporation is a notorious liar. His Luxembourg enterprise is of no consequence (capital \$2500), merely serving as a screen for his dishonest promotions. He has become associated with other speculators, including a convicted black market operator, a Hungarian of unknown antecedents, and an individual suspected of having been a German spy. It appears that these individuals have been attempting to capitalize on US sympathy for Israel to enlist the support of US Embassy Paris in an operation which would probably carry out clandestine activities in Western Europe and the Balkans under cover of the legitimate DP traffic. If they are successful, they will undoubtedly use the standard covert techniques to accomplish this purpose.

7. The principal field for clandestine air activity in the past year has been traffic in the interests of Israel. Other illicit operations have been organized in Central America and Southeast Asia. As opportunities for profits in the Israeli traffic diminish, the promoters will certainly direct their imagination to other channels. It is probable, for example, that upon implementation of the proposed policy by which the US and UK hope to contain the Satellite air lines, a lucrative black market in aircraft and parts will develop. If specialists in clandestine operations exploit this market the US policy can be effectively nullified.

8. Unless adequate international controls over non-scheduled operators are instituted by multilateral action, it is conceivable that even more serious eventualities could result. For example, a fleet of transport aircraft presently available for charter operations in Western Europe, including units of US registry, could be obtained by the clandestine promoters for agents purporting to be engaged in normal trade activities, but in reality acting on behalf of the USSR. Under such an arrangement one flight each by forty aircraft might distribute a task force of one thousand trained saboteurs into Western Europe without the nature of the operation being appreciated until the damage had been done.

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